

Commonwealth of Kentucky
Natural Resources and Environmental Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382

AIR QUALITY PERMIT

Permittee Name: Texas Eastern Transmission Corporation
Mailing Address: P.O. Box 1642, Houston, TX 77251-1642

is authorized to operate a
Natural Gas Compressor Station at Danville, Kentucky

Source Name: Texas Eastern Transmission Corp., Danville Station
Mailing Address: 1745 Airport Road, Danville, KY 40422
Source Location: 1745 Airport Road, Danville, KY 40422

Permit Type: Federally-Enforceable
Review Type: Title V
Permit Number: V-97-016
Log Number: E784

Application

Complete Date: January 21, 1997
KYEIS #: 102-2310-0008
AFS Plant ID: 21-137-00008
FINDS Number: KYD098958838
SIC Code: 4922

Region: Bluegrass
County: Lincoln

Issuance Date: November 24, 1997
Expiration Date: November 24, 2002

John E. Hornback, Director
Division for Air Quality

TABLE OF CONTENTS

<u>SECTION</u>		<u>DATE OF ISSUANCE</u>	<u>PAGE</u>
SECTION A	PERMIT AUTHORIZATION	November 24, 1997	1
SECTION B	EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS	November 24, 1997	2
SECTION C	INSIGNIFICANT ACTIVITIES	November 24, 1997	6
SECTION D	SOURCE EMISSION LIMITATIONS AND TESTING REQUIREMENTS	November 24, 1997	7
SECTION E	CONTROL EQUIPMENT OPERATING CONDITIONS	November 24, 1997	7
SECTION F	MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS	November 24, 1997	8
SECTION G	GENERAL CONDITIONS	November 24, 1997	10
SECTION H	ALTERNATE OPERATING SCENARIOS	November 24, 1997	14
SECTION I	COMPLIANCE SCHEDULE	November 24, 1997	14

SECTION A PERMIT AUTHORIZATION

Pursuant to a duly submitted application which was determined to be administratively and technically complete on January 21, 1997, the Kentucky Division for Air Quality hereby authorizes the operation of the equipment described herein in accordance with the terms and conditions of this permit. This proposed permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant thereto and shall become the final permit unless the U.S. EPA files an objection pursuant to Regulation 401 KAR 50:035, Section 21(3).

The permittee shall not construct, reconstruct, or modify any emissions units without having first submitted a complete application to the permitting authority and received a permit for the planned activity, except as provided in this permit or in Regulation 401 KAR 50:035.

Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by this Cabinet or any other federal, state, or local agency.

This permit contains provisions which require that specific test methods, monitoring or recordkeeping be used as a demonstration of compliance with permit limits. However, these provisions do not shield the source from violations of the applicable requirements being established and documented through other credible evidence, nor does it relieve the source from its obligation to comply with the underlying emission limits or other applicable requirements being monitored.

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS**Emissions Unit : 01 (01-07) Seven Compressor Engines****Description:**

Natural gas-fired 2-cycle lean burn reciprocating
Maximum continuous rating: 14.43 MMBTU/hr, each
Construction commenced: 1952

Applicable Regulations:

The affected facility is not subject to any federally enforceable regulation

1. Operating Limitations:

None

2. Emission Limitations:

None

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

See Section F

5. Specific Record Keeping Requirements:

See Section F

6. Specific Reporting Requirements:

See Section F

7. Specific Control Equipment Operating Conditions:

None

8. State-Origin Requirements:

Regulation 401 KAR 63:021, Existing sources emitting toxic air pollutants

a) Operating Limitations:

Routine operation and maintenance procedures to ensure optimum engine operations

b) Emission Limitations:

None

9. Alternate Operating Scenarios:

None

10. Compliance Schedule

None

11. Compliance Certification Requirements

See Section F

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS**Emissions Unit: 02 (08-10) Three Compressor Engines****Description:**

Natural gas-fired 2-cycle lean burn reciprocating
Maximum continuous rating: 16.81 MMBTU/hr, each
Construction commenced: 1957

Applicable Regulations:

The affected facility is not subject to any federally enforceable regulation

1. **Operating Limitations:**
None
2. **Emission Limitations:**
None
3. **Testing Requirements:**
None
4. **Specific Monitoring Requirements:**
See Section F
5. **Specific Record Keeping Requirements:** See Section F
6. **Specific Reporting Requirements:** See Section F
7. **Specific Control Equipment Operating Conditions:** None
8. **State-Origin Requirements:**
Regulation 401 KAR 63:021, Existing sources emitting toxic air pollutants
 - a) **Operating Limitations:**
Routine operation and maintenance procedures to ensure optimum engine operations
 - b) **Emission Limitations:**
None
9. **Alternate Operating Scenarios:** None
10. **Compliance Schedule** None
11. **Compliance Certification Requirements** See Section F

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

Emissions Unit: 03 (11-12) Two Compressor Engines

Description:

Natural gas-fired turbine

Maximum continuous rating: 63.92 MMBTU/hr, each

Construction commenced: 1961

Applicable Regulations:

The affected facility is not subject to any applicable regulation.

1. Operating Limitations:

None

2. Emission Limitations:

None

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

See Section F

5. Specific Record Keeping Requirements:

See Section F

6. Specific Reporting Requirements:

See Section F

7. Specific Control Equipment Operating Conditions:

None

8. State-Origin Requirements:

a) Operating Limitations: None

b) Emission Limitations: None

9. Alternate Operating Scenarios: None

10. Compliance Schedule None

11. Compliance Certification Requirements See Section F

SECTION B EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS**Emissions Unit: 04 (13) Compressor Engine****Description:**

Natural gas-fired turbine
Maximum continuous rating: 151.89 MMBTU/hr, each
Construction commenced: 1969

Applicable Regulations:

The affected facility is not subject to any applicable regulation.

1. **Operating Limitations:**
None
2. **Emission Limitations:**
None
3. **Testing Requirements:**
None
4. **Specific Monitoring Requirements:**
See Section F
5. **Specific Record Keeping Requirements:**
See Section F
6. **Specific Reporting Requirements:**
See Section F
7. **Specific Control Equipment Operating Conditions:** None
8. **State-Origin Requirements:**
 - a) **Operating Limitations:** None
 - b) **Emission Limitations:** None
9. **Alternate Operating Scenarios:** None
10. **Compliance Schedule** None
11. **Compliance Certification Requirements** See Section F

SECTION C INSIGNIFICANT ACTIVITIES

The following listed activities have been determined to be insignificant activities for this source pursuant to Regulation 401 KAR 50:035, Section 5(4). These activities are exempt from all permit requirements.

Description

1. Auxiliary emergency generator, 480 HP
2. Auxiliary emergency generator, 440 HP
3. Diesel storage tank, 500 gal
4. Lube oil storage tank, 8900 gal
5. Oily sump water storage tank, 16920 gal
6. Glycol/water storage tank, 1000 gal
7. Five comfort heaters, less than 1 mmBtu/hr, each
8. Two pipeline liquids storage tanks, 1100 gal, each
9. Five pipeline liquids storage tanks, 2480 gal, each
10. Fugitive emissions from pipeline components
11. Fugitive emissions from blowdowns
12. Fugitive emissions from engine starts

SECTION D SOURCE EMISSION LIMITATIONS AND TESTING REQUIREMENTS

None

SECTION E CONTROL EQUIPMENT CONDITIONS

None

SECTION F MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS

1. The permittee shall record the amount of natural gas burned on an annual basis. The records required by the Division for Air Quality shall be retained at the source authorized by this permit, or where records are kept, for a period of five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality.
2. The permittee shall allow the Division or authorized representatives to perform the following:
 - a) Enter upon the premises where a source is located or emissions-related activity is conducted, or where records are kept;
 - b) Have access to and copy, at reasonable times, any records required by the permit:
 - i) During normal office hours, and
 - ii) During periods of emergency when prompt access to records is essential to proper assessment by the Division;
 - c) Inspect, at reasonable times, any facilities, equipment (including monitoring and pollution control equipment), practices, or operations required by the permit. Reasonable times shall include, but are not limited to the following:
 - i) During all hours of operation at the source,
 - ii) For all sources operated intermittently, during all hours of operation at the source and the hours between 8:00 a.m. and 4:30 p.m., Monday through Friday, excluding holidays, and
 - iii) During an emergency; and
 - d) Sample or monitor, at reasonable times, substances or parameters to assure compliance with the permit or any applicable requirements. Reasonable times shall include, but are not limited to the following:
 - i) During all hours of operation at the source,
 - ii) For all sources operated intermittently, during all hours of operation at the source and the hours between 8:00 a.m. and 4:30 p.m., Monday through Friday, excluding holidays, and
 - iii) During an emergency.
3. No person shall obstruct, hamper, or interfere with any Division employee or authorized representative while in the process of carrying out official duties. Refusal of entry or access may constitute grounds for permit revocation and assessment of civil penalties.
4. In accordance with Regulation 401 KAR 50:055, Section 1, the owner or operator shall notify the Division for Air Quality's London Regional Office by telephone or fax as promptly as possible of any deviation from permit requirements, including those due to malfunctions, unplanned shutdowns, ensuing startups, or upset conditions, and report excess emissions. For this source, promptly will be defined as twenty four (24) hours from the occurrence of the deviation.

SECTION F MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

5. The permittee shall certify compliance with the terms and conditions contained in this permit, annually on the permit issuance anniversary date to the Division for Air Quality's London Regional Office in accordance with the following requirements:
 - a) Identification of each term or condition of the permit that is the basis of the certification;
 - b) The compliance status regarding each term or condition of the permit;
 - c) Whether compliance was continuous or intermittent;
 - d) The method used for determining the compliance status for the source, currently and over the reporting period, pursuant to 401 KAR 50:035, Section 7 (1) (c), (d), and (e);
 - e) Other facts the Division may require to determine the compliance status of the source; and
 - f) The certification shall be postmarked by the thirtieth (30th) day following the applicable permit issuance anniversary date.
6. In accordance with Regulation 401 KAR 50:035, Section 23, the permittee shall report all information necessary to determine its subject emissions.

SECTION G GENERAL CONDITIONS

(a) General Compliance Requirements

1. The permittee shall comply with all conditions of this permit. Noncompliance shall be (a) violation(s) of State Regulation 401 KAR 50:035, Permits, Section 7 (3)(d) and for federally enforceable permits is also a violation of Federal Statute 42 USC 7401 through 7671q (the Clean Air Act) and are grounds for enforcement action including but not limited to the termination, revocation and reissuance, or revision of this permit.
2. In accordance with Regulation 401 KAR 50:035, Section 7(3)(f), the filing of a request by the permittee for any permit revision, revocation, reissuance, or termination, or of a notification of a planned change or anticipated noncompliance, shall not stay any permit condition.
3. This permit may be revised, revoked, reopened and reissued, or terminated for cause. The permit will be reopened for cause and revised accordingly under the following circumstances:
 - i) If additional applicable requirements become applicable to the source and the remaining permit term is three (3) years or longer. In this case, the reopening shall be completed no later than eighteen (18) months after promulgation of the applicable requirement. A reopening shall not be required if compliance with the applicable requirement is not required until after the date on which the permit is due to expire, unless this permit or any of its terms and conditions have been extended pursuant to Regulation 401 KAR 50:035, Section 12 (2) (c);
 - ii) If any additional applicable requirements of the Acid Rain Program become applicable to the source;
 - iii) The Division or the U. S. EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit; or
 - iv) The Division or the U. S. EPA determines that the permit must be revised or revoked to assure compliance with the applicable requirements.

Proceedings to reopen and reissue a permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of the permit for which cause to reopen exists. Reopenings shall be made as expeditiously as practicable. Reopenings shall not be initiated before a notice of intent to reopen is provided to the source by the Division, at least thirty (30) days in advance of the date the permit is to be reopened, except that the Division may provide a shorter time period in the case of an emergency.
4. The permittee shall furnish to the Division, in writing, information that the Division may request to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit, or to determine compliance with the permit.
5. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit.
6. In accordance with Regulation 401 KAR 50:035, Section 7(3)(e), the permittee shall not use as a defense in an enforcement action the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance.

SECTION G GENERAL CONDITIONS (CONTINUED)

7. Except as identified as state-origin requirements in this permit, all terms and conditions contained herein shall be enforceable by the United States Environmental Protection Agency and citizens of the United States.
8. This permit shall be subject to suspension if the permittee fails to pay all emissions fees within 90 days after the date of notice as specified in 401 KAR 50:038, Section 3(6).
9. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance.
10. This permit shall not convey property rights or exclusive privileges.
11. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by the Kentucky Cabinet for Natural Resources and Environmental Protection or any other federal, state, or local agency.
12. Nothing in this permit shall alter or affect the authority of U.S. EPA to obtain information pursuant to Federal Statute 42 USC 7414, Inspections, monitoring, and entry.
13. Nothing in this permit shall alter or affect the authority of U.S. EPA to impose emergency orders pursuant to Federal Statute 42 USC 7603, Emergency orders.
14. Permit Shield: Except as provided in State Regulation 401 KAR 50:035, Permits, compliance by the emissions units listed herein with the conditions of this permit shall be deemed to be compliance with all applicable requirements identified in this permit as of the date of issuance of this permit.
15. Fugitive emissions shall be controlled in accordance with Regulation 401 KAR 63:010.

SECTION G GENERAL CONDITIONS (CONTINUED)

(b) Permit Expiration and Reapplication Requirements

This permit shall remain in effect for a fixed term of five (5) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, all the terms and conditions of this permit, including any permit shield shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division.

(c) Permit Revisions

1. A minor permit revision procedure may be used for permit revisions involving the use of economic incentive, marketable permit, emission trading, and other similar approaches, to the extent that these minor permit revision procedures are explicitly provided for in the SIP or in applicable requirements and meet the relevant requirements of Regulation 401 KAR 50:035, Section 15.
2. This permit is not transferable by the permittee. Future owners and operators shall obtain a new permit from the Division for Air Quality. The new permit may be processed as an administrative amendment if no other change in this permit is necessary, and provided that a written agreement containing a specific date for transfer of permit responsibility coverage and liability between the current and new permittee has been submitted to the permitting authority thirty (30) days in advance of the transfer.

(d) Acid Rain Program Requirements

NA

e) Emergency Provisions

1. An emergency shall constitute an affirmative defense to an action brought for noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or other relevant evidence that:
 - i) An emergency occurred and the permittee can identify the cause of the emergency;
 - ii) The permitted facility was at the time being properly operated;
 - iii) During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and,
 - iv) The permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division within two working days after the time when emission limitations were exceeded due to the emergency. The notice shall meet the requirements of 401 KAR 50:035, Permits, Section 7(1)(e)2, and include a description of the emergency, steps taken to mitigate emissions, and the corrective actions taken. This requirement does not relieve the source of any other local, state or federal notification requirements.

SECTION G GENERAL CONDITIONS (CONTINUED)

2. Emergency conditions listed in General Condition (e)1 above are in addition to any emergency or upset provision(s) contained in an applicable requirement.
3. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof.
4. The permittee may temporarily replace compressor(s) during emergency incidents which interrupt the crucial supply of natural gas to the public, contingent upon the following conditions:
 - a) The temporary compressor(s) may operate solely while a compressor is being repaired or refurbished. For this requirement, temporary shall not be in excess of ninety (90) days unless prior approval is obtained from the Division.
 - b) The total operating capacity of the temporary units shall not exceed the capacity of the replaced unit.
 - c) If required, performance emission test data that verify the rates of emissions from the temporary compressor(s), in accordance with the provisions of New Source Performance Standards, shall be submitted to the Division within five (5) days of the substitution for approval.
 - d) Notification of the following data must be submitted to the Director within five (5) days of the substitution:
 - i) Identification (emission point number) of the compressor(s), temporarily replaced,
 - ii) Design Parameters of the temporary compressor(s),
 - iii) Predicted operating time and emissions of the temporary compressor(s), and
 - iv) Certification of the temporary compressor(s) by a responsible official.

f) Risk Management Provisions under CAA 112(r)

1. The permittee shall comply with all requirements of 40 CFR Part 68, Risk Management Plan provisions. If required, the permittee shall:
 - a. Submit a Risk Management Plan and comply with the Risk Management Program by June 21, 1999 or a latter date specified by the U.S. EPA.
 - b. Submit additional relevant information if requested by the Division or U.S. EPA.

SECTION G GENERAL CONDITIONS (CONTINUED)

(g) Ozone Depleting Substances

1. The permittee shall comply with the standards for recycling and emissions reduction pursuant to 40 CFR 82, Subpart F, except as provided for Motor Vehicle Air Conditioners (MVACs) in Subpart B:
 - a. Persons opening appliances for maintenance, service, repair, or disposal shall comply with the required practices contained in 40 CFR 82.156.
 - b. Equipment used during the maintenance, service, repair, or disposal of appliances shall comply with the standards for recycling and recovery equipment contained in 40 CFR 82.158.
 - c. Persons performing maintenance, service, repair, or disposal of appliances shall be certified by an approved technician certification program pursuant to 40 CFR 82.161.
 - d. Persons disposing of small appliances, MVACs, and MVAC-like appliances (as defined at 40 CFR 82.152) shall comply with the recordkeeping requirements pursuant to 40 CFR 82.166.
 - e. Persons owning commercial or industrial process refrigeration equipment shall comply with the leak repair requirements pursuant to 40 CFR 82.156.
 - f. Owners/operators of appliances normally containing 50 or more pounds of refrigerant shall keep records of refrigerant purchased and added to such appliances pursuant to 40 CFR 82.166.
2. If the permittee performs service on motor (fleet) vehicle air conditioners containing ozone-depleting substances, the source shall comply with all applicable requirements as specified in 40 CFR 82, Subpart B, Servicing of Motor Vehicle Air Conditioners.

SECTION H ALTERNATE OPERATING SCENARIOS

None

SECTION I COMPLIANCE SCHEDULE

None